



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31/03/2008 RM'000	Corresponding Quarter Ended 31/03/2007 RM'000	Current Year to date Ended 31/03/2008 RM'000	Corresponding Year to date Ended 31/03/2007 RM'000
Revenue	310,681	146,972	310,681	146,972
Operating expenses	(288,746)	(145,804)	(288,746)	(145,804)
Other operating income	9,288	12,432	9,288	12,432
Finance cost	(7,918)	(6,190)	(7,918)	(6,190)
Profit before taxation	23,305	7,410	23,305	7,410
Taxation	(1,182)	(4,909)	(1,182)	(4,909)
Profit for the period	22,123	2,501	22,123	2,501
Attributable to:				
Equity holders of the parent	22,237	2,822	22,237	2,822
Minority interest	(114)	(321)	(114)	(321)
	22,123	2,501	22,123	2,501
Earnings per share (sen)				
(a) Basic	4.72	0.60	4.72	0.60
(b) Diluted	4.72	0.60	4.72	0.60

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at end of Current Quarter 31/03/2008 RM'000	As at Preceding Financial Year End 31/12/2007 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,093,731	1,106,551
Prepaid Interest in Leased Land	20,735	20,896
Deferred Expenditure	4,703	5,336
Goodwill	122,572	123,509
Intangible Assets	18,253	17,671
Deferred Tax Assets	8,740	8,739
Other Receivable	2,685	3,169
Total Non-current Assets	1,271,419	1,285,871
<i>Current Assets</i>		
Inventories	131,435	140,231
Trade and Other Receivables	190,559	200,331
Cash and Cash Equivalents	89,395	90,152
Total Current Assets	411,389	430,714
Total Assets	1,682,808	1,716,585

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED BALANCE SHEETS – CONTINUED

	As at end of Current Quarter 31/03/2008 RM'000	As at Preceding Financial Year End 31/12/2007 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	235,721	235,721
Reserves	590,431	579,398
Equity Attributable To Equity Holders of the Parent	826,152	815,119
Minority Interests	7,690	7,804
Total Equity	833,842	822,923
<i>Non-Current Liabilities</i>		
Guaranteed Convertible Bonds Due 2009	25,983	42,498
Long Term Borrowings	422,024	453,734
Retirement Benefits and Obligations	12,756	12,882
Deferred Income	9,175	5,227
Deferred Tax Liabilities	4,196	4,519
	474,134	518,860
<i>Current Liabilities</i>		
Trade and Other Payables	240,016	309,792
Short Term Borrowings	132,962	64,063
Current Tax Payable	1,854	947
	374,832	374,802
Total Liabilities	848,966	893,662
Total Equity and Liabilities	1,682,808	1,716,585
Net Assets per ordinary share attributable to equity holders of the parent (RM)	1.7524	1.7290

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date Ended 31/03/2008 RM'000	Corresponding Year To Date Ended 31/03/2007 RM'000
Operating Activities		
Profit For The Period	22,123	2,501
Adjustments for non-cash flow items:		
Depreciation and amortisation expenses (net of amortization income)	38,336	29,830
Finance cost (net of interest income)	7,483	5,446
Others	2,808	(11,922)
Operating Profit Before Changes In Working Capital	70,750	25,855
Net change in current assets	12,422	(9,907)
Tax refund/(paid)	(416)	(75)
Net change in current liabilities	(102,091)	(15,667)
Net Cash Flows From /(Used In) Operating Activities	(19,335)	206
Investing Activities		
Additions to property, plant and equipment	(10,498)	(11,041)
Others	(246)	887
Net Cash Flows Used In Investing Activities	(10,744)	(10,154)
Financing Activities		
Proceeds from short and long term borrowings	48,638	284,434
Issuance of shares	-	45,600
Consideration for buy-back and early redemption of Guaranteed Convertible Bonds due 2009	(14,770)	(316,215)
Others	(3,058)	(4,159)
Net Cash Flows From Financing Activities	30,810	9,660
Net Change in Cash & Cash Equivalents	731	(288)
Cash And Cash Equivalents At Beginning Of Period	88,850	111,448
Effect of exchange rate differences	(186)	(353)
	88,664	111,095
Cash And Cash Equivalents At End Of Period	89,395	110,807

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Parent →					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium & Capital Reserves RM'000	Reserve attributable to Revenue RM'000	Retained Earnings RM'000	Subtotal RM'000		
Current Year To Date Ended 31 March 2008							
Balance at beginning of year	235,721	164,319	(16,238)	431,317	815,119	7,804	822,923
Currency translation differences	-	-	(9,855)	-	(9,855)	-	(9,855)
Net profit for the financial year to date	-	-	-	22,237	22,237	(114)	22,123
Total recognised income and expenses for the financial year to date	-	-	(9,855)	22,237	12,382	(114)	12,268
Buy-back of Guaranteed Convertible Bonds due 2009	-	(107)	-	(1,242)	(1,349)	-	(1,349)
Balance at end of period	235,721	164,212	(26,093)	452,312	826,152	7,690	833,842

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – CONTINUED

	← Attributable to Equity Holders of the Parent →						Total Equity RM'000
	Share Capital RM'000	Share Premium & Capital Reserves RM'000	Reserve attributable to Revenue RM'000	Retained Earnings RM'000	Subtotal RM'000	Minority Interest RM'000	
Corresponding Year To Date Ended 31 March, 2007							
Balance at beginning of year	223,463	144,987	(3,316)	284,613	649,747	11,706	661,453
Currency translation differences	-	-	(2,902)	-	(2,902)	-	(2,902)
Net profit for the financial year to date	-	-	-	2,822	2,822	(321)	2,501
Total recognised income and expenses for the financial year to date	-	-	(2,902)	2,822	(80)	(321)	(401)
Issuance of shares	12,258	33,342	-	-	45,600	-	45,600
Buy-back of Guaranteed Convertible Bonds due 2009	-	(16,460)	-	(7,559)	(24,019)	-	(24,019)
Balance at end of period	235,721	161,869	(6,218)	279,876	671,248	11,385	682,633

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2007)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008

EXPLANATORY NOTES AND ADDITIONAL INFORMATION

1. Accounting policies and methods of computation

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the *Financial Reporting Standards (FRS) 134 'Interim Financial Reporting'* issued by the Malaysian Accounting Standards Board (MASB) and *Paragraph 9.22 of the Listing Requirements of Bursa Securities Malaysia Berhad* and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2007.

2. Declaration of audit qualification

The preceding annual financial statements of the Group were reported on without any qualification.

3. Explanatory comment about the seasonality or cyclicity of operations

There have been no material seasonal or cyclical factors affecting the results of the quarter under review.

4. Nature and amount of unusual items

There are no extraordinary items for the current interim period.

5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period

There are no changes in the estimates of amounts, which give a material effect in the current interim period.

6. Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities

There are no issue, cancellation, repurchases, resale and repayment of debt or equity securities for the current financial year to date, save and except for the repurchase and cancellation, by the Company's wholly-owned subsidiary, Unisem International (Labuan) Limited, of US\$3.847 million principal amount of the US\$50 million 3% unsecured convertible bonds due 2009, convertible into ordinary shares of, and guaranteed by the Company.

7. Dividend Paid

No dividend was paid in respect of the current financial year to date.

8. Segment revenue and segment result and segment assets employed for business segments or geographical segments

Quarter Ended	Asia	Europe	Others	Consolidated
31 March 2008				
	RM'000	RM'000	RM'000	RM'000
Revenue	303,559	5,425	1,697	310,681
Profit before taxation	23,139	160	6	23,305
Year To Date Ended	Asia	Europe	Others	Consolidated
31 March 2008				
	RM'000	RM'000	RM'000	RM'000
Revenue	303,559	5,425	1,697	310,681
Profit before taxation	23,139	160	6	23,305



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- 9. *Valuations of property, plant and equipment brought forward without amendment from the previous annual financial statements***
The Group did not carry out any valuations on its property, plant and equipment.
- 10. *Material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period***
There are no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period.
- 11. *Effect of changes in the composition of the Group***
There are no changes in the composition of the Group for the current financial year to date.
- 12. *Changes in contingent liabilities or contingent assets***
There are no changes in contingent liabilities.
- 13. *Review of the performance of the Group, setting out material factors affecting the earnings and /or revenue of the Group for the current quarter and financial year to date***
The Group recorded revenue of RM310.681 million and net profit of RM22.123 million for the current quarter and financial year to date ended 31 March 2008. These represent a corresponding quarterly increase of 111.4% in revenue and increase in net profit of 784.2%. The significant increase in revenue was mainly due to revenue contribution from Unisem Mauritius, Unisem Chengdu as well as increased sales volume in Unisem Ipoh. The increase in net profit was attributable to improved profit margins arising from higher capacity utilization, gain on foreign exchange and profit contribution from both Unisem Chengdu and Unisem Europe.
- 14. *Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter***
The Group recorded profit before taxation (“PBT”) of RM23.305 million for the first quarter ended 31 March 2008. This represents a decrease in PBT of 57.6% as compared to the PBT of RM54.940 million for the immediate preceding quarter ended 31 December 2007. The decrease in PBT was mainly due to lower sales revenue achieved and lower foreign exchange gains. Moreover, there was a recognition of deferred tax income upon early adoption of the revised FRS 112 in the preceding quarter.
- 15. *Where the audit report of the company’s preceding annual financial statements was qualified, disclosure of the qualification and current status of the matter(s) giving rise to the qualification for the current quarter and financial year to date***
The company’s preceding annual financial statements did not have any audit qualification.
- 16. *Commentary on the prospects, including the factors that are likely to influence the Group’s prospects for the remaining period to the end of the financial year or the next financial year if the reporting period is the last quarter***
The Directors expect the Group’s revenue and earnings in the second quarter of 2008 to be moderately higher than that of the first quarter and the business of the Group for the financial year 2008 would remain satisfactory.
- 17. *A statement of the board of directors’ opinion as to whether the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved***
Not applicable. The Company had not announced or disclosed in a public document any revenue or profit estimates.

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18. (a) *Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)*
Not applicable.
- (b) *Explanatory note for any shortfall in the profit guarantee received by the Group (if any) and steps taken to recover the shortfall;*
Not applicable.

19. *Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial year to date*

	Current Quarter Ended 31/03/2008 RM'000	Current Year To Date Ended 31/03/2008 RM'000
Income tax payable - current	1,323	1,323
Transfer (to)/from deferred taxation	(141)	(141)
Total	1,182	1,182

Income tax expense for the current quarter and financial year to date arose mainly from rental income and interest income received which are assessed separately.

The effective tax rate is lower than the statutory tax rate for the current quarter and financial year to date mainly due to deferred tax assets being recognized in respect of the Reinvestment Allowances (RA) and Investment Tax Allowances (ITA) to the extent that it is probable that future taxable profits will be available against which the RA and ITA can be utilized.

20. *Amount of profits on sale of unquoted investments or properties*
There is no sale of unquoted investments or properties for the current quarter and financial year to date.
21. *Particulars of purchase or disposal of quoted securities*
There are no purchases or disposals of quoted securities by the Group as at 8 May 2008.
22. (a) *Status of corporate proposals announced but not completed*
There are no outstanding corporate proposals announced but not completed as at 8 May 2008.
- (b) *Status of utilisation of proceeds raised from any corporate proposal for the quarter under review*
As at 31 March 2008, there are no unutilised proceeds raised from corporate proposal.



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23. ***Borrowings and debt securities as at the end of the reporting period***

The details of the Group's borrowings as at end of current quarter are as follows:

	Foreign Currency '000	RM Equivalent '000
Term Loan (Unsecured)	-	263,000
Term Loan (Secured)	USD91,000	290,817
Promissory Notes (Unsecured)	USD366	1,169
Guaranteed Convertible Bonds due 2009 (Unsecured)	USD8,131	25,983
Total		<u>580,969</u>

24. ***Summary of off balance sheet financial instruments by type and maturity profile***

As at 31 March 2008, the Group has no off balance sheet financial instruments.

25. ***Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date***

There are no changes in material litigation since the last annual balance sheet date.

26. ***Dividend***

The Directors do not recommended any dividend for the current financial quarter ended 31 March 2008. (Nil for the financial quarter ended 31 March 2007).

27. ***Earnings per share***

The basic earnings per share for the current quarter and financial year to date of 4.72 sen was calculated by dividing the Group's net profit attributable to equity holders of the parent company for the current quarter and financial year to date amounting to RM22.237 million by the weighted average number of ordinary shares in issue of 471,441,679.

The diluted earnings per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The guaranteed convertible bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate interest expense less the tax effect.

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 8 May 2008